

# **ANNUAL REPORT 1999 - 2000**



**JK INDUSTRIES LIMITED**

## **CONTENTS**

<b>Company Information</b>	<b>2</b>
<b>Financial Highlights</b>	<b>3</b>
<b>Directors' Report</b>	<b>4</b>
<b>Auditors' Report</b>	<b>10</b>
<b>Balance Sheet</b>	<b>13</b>
<b>Profit and Loss Account</b>	<b>14</b>
<b>Schedules to Accounts</b>	<b>15</b>
<b>Cash Flow Statement</b>	<b>30</b>
<b>Balance Sheet Abstract</b>	<b>32</b>

## Company Information

BOARD OF DIRECTORS	Shri. M. A. PAI	Chairman
	Shri. R. G. PARIKH	Vice Chairman
	Shri. M. V. SHAH	
	Shri. N. GANGA RAM	
	Smt. J. R. PARIKH	
	Shri. M. P. THAKKER	
	Shri. P. V. SHAH	
	Shri. M. M. PARIKH	Executive Director
	Shri. C. H. GOSALIA	Executive Director
	Shri. G. S. SALIAN	Executive Director
COMPANY SECRETARY	Shri. S. D. BHURKE	
BANKERS	BANK OF INDIA KARNATAKA BANK LTD. UNITED BANK OF INDIA UNION BANK OF INDIA	
SOLICITORS	K. G. UNDERKAT & CO.	
AUDITORS	BHARAT BAKSHI AND ASSOCIATES	
REGD. OFFICE & SHARE DEPT.	16, GUNDECHA CHAMBERS, NAGINDAS MASTER ROAD, FORT, MUMBAI - 400 023.	
FACTORIES	LEAD - FREE CRYSTAL PLANT PADA NO. 3, BALKUM, THANE - 400 608	
	CHEMICAL WASTE RECYCLING PLANT VIJAYGAD, TALUKA WADA, DIST. THANE.	
LISTING	THE STOCK EXCHANGE, MUMBAI NATIONAL STOCK EXCHANGE OF INDIA LIMITED THE STOCK EXCHANGE, AHMEDABAD	
TELEPHONE NO.	+91-22-267 6632	
FAX NO.	+91-22-267 6633	
E-MAIL ADDRESS	jrp@vsnl.com	

## Financial Highlights

	Rs. In Lacs		
	1999-2000 (15 Months)	1998-1999 (12 Months)	1997-1998 (12 Months)
Sales / Income From Operations	18234.33	10527.24	9295.53
Total Income	18310.59	10528.64	9335.81
Profit Before Depreciation Extra-Ordinary Income and Tax	1158.39	758.53	474.61
Depreciation	170.40	258.16	102.30
Profit Before Tax and Extra-Ordinary Income	987.99	500.37	372.31
Extra Ordinary Income (Net)	551.25	Nil	Nil
Profit Before Tax (PBT)	1539.24	500.37	372.31
Provision For Tax	500.42	57.80	39.10
Profit After Tax (PAT)	1038.82	442.57	333.21
Dividend on Equity Shares (%)	30%	27%	25%
Reserves & Surplus	3293.78	1293.70	1081.98
Net Worth	3716.08	2843.09	2122.57

**FINANCIAL HIGHLIGHTS**

## Directors' Report

To  
The Members

Your Directors have pleasure in presenting the Tenth Annual Report, together with the audited accounts of the Company, for the 15 month period ended 30<sup>th</sup> September, 2000.

### 1. FINANCIAL RESULTS

(Rs. in Lacs)

<i><b>PARTICULARS</b></i>	<i><b>1999-2000</b></i>	<i><b>1998-1999</b></i>
Sales/Income from Operations	18234.33	10527.24
Other Income	76.26	1.40
Profit before Depreciation, Tax and Extraordinary Income	1158.39	758.53
Depreciation	170.40	258.16
Profit before Extraordinary Income and Taxation	987.99	500.37
Extraordinary Income (Net)	551.25	—
Profit before Tax	1539.24	500.37
Less : Provision for Taxation	500.42	57.80
Net Profit after Tax	1038.82	442.57
Balance brought forward	831.27	664.56
Prior period adjustment	—	0.51
Profit available for appropriation	1870.09	1107.64
<b>APPOPRIATION :</b>		
Transferred to General Reserve	104.00	45.00
Transferred to Capital Redemption Reserve	1184.56	—
Interim Dividend on Equity Shares	99.69	—
Preference Dividend paid	92.00	—
Proposed Dividend :		
On Preference Shares	18.75	118.72
Equity Shares	—	89.72
Tax on Dividend	25.17	22.93
Surplus carried to Balance Sheet	345.92	831.27

### 2. DIVIDEND

Your Directors at their Meeting held on 10<sup>th</sup> April, 2000 had announced an interim dividend of Rs.3 per equity share and the dividend was duly paid to the shareholders registered as on the record date.

Your Directors do not recommend any final dividend for the period ended 30<sup>th</sup> September, 2000, considering the quantum of interim dividend already paid and the need to conserve resources.

**3. DEPOSITS**

44 deposits totalling Rs. 5.03 lacs due for repayment on or before 30<sup>th</sup> September, 2000 remained unclaimed by the depositors as on that date. However, as on the date of this report, 33 deposits totalling Rs.3.60 lacs remained unclaimed.

**4. DIRECTORS**

In accordance with the requirement of the Companies Act, 1956 and the Company's Articles of Association, Shri R. G. Parikh, Shrimati J. R. Parikh and Shri N. Ganga Ram are due to retire by rotation at the forthcoming Annual General Meeting and being eligible, they offer themselves for re-appointment.

**5. AUDITORS**

At the Annual General Meeting, the Members will be requested to appoint Auditors for the current year and fix their remuneration. The present auditors, M/s. Bharat Bakshi & Associates, Chartered Accountants, have, pursuant to Section 224(1B) of the Companies Act, 1956, furnished to the Company a certificate regarding their eligibility for re-appointment as the Company's auditors for the current year 2000-2001.

**6. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956**

No employee, employed by the Company throughout the financial period 1999-2000 or part of the period has drawn remuneration of Rs. 6,00,000 or more per annum or Rs.50,000 or more per month. Accordingly the Company has no information to give under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**7. ENERGY, TECHNOLOGY & FOREIGN EXCHANGE**

Information required to be given pursuant to Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of the Report.

**8. DIRECTOR'S RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 as amended, the Board confirms -

- i) That in the preparation of the accounts, relating to the 15 month period ended 30th September, 2000, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit of the Company for that period.
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- iv) That the Directors had prepared the accounts for the aforesaid period on a going concern basis.

**9. ACKNOWLEDGEMENT**

Your Directors wish to thank and place on record their appreciation for the support and co-operation received from the Company's bankers, financial institutions, foreign collaborators and Government authorities and employees at all levels. The Directors also wish to express their gratitude to the shareholders for the faith reposed in the Company.

**By Order of the Board of Directors**

Place : Mumbai  
Date : 30th December, 2000

**R. G. PARIKH**  
VICE CHAIRMAN

**C. H. GOSALIA**  
EXEC. DIRECTOR

**ANNEXURE TO DIRECTORS' REPORT**

**PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

**A. CONSERVATION OF ENERGY**

- (a) Energy conservation measures taken :

The Company is in the process of finding better measures to save energy.

- (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : N.A.

- (c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : N.A.

- (d) Total energy Consumption and Energy Consumption per unit of production as per Form A in respect of industries specified in the Schedule:

## FORM - A

(Disclosure of particulars with respect to Conservation of Energy)

## A. POWER AND FUEL CONSUMPTION

	1999-2000 Current Period	1998-1999 Previous Year
<b>1. Electricity :</b>		
(a) Purchased		
Unit (KWH)	4,18,706	2,73,021
Total Amount (Rs.)	22,34,594.22	14,36,167.36
Rate per unit (Avg) (including amount capitalised)	5.33	5.26
(b) Own generation		
(i) Through diesel generator :		
Units (KWH)	19,527	64,771
Units per Ltr. of Diesel oil	4.35	4.35
Cost per unit (Rs.)	3.63	2.55
(ii) Through steam turbine/generator :		
Units	Nil	Nil
Units per Ltr. of fuel	Nil	Nil
Oil/Gas	Nil	Nil
Cost/Units	Nil	Nil
<b>2. Coal :</b>		
Quantity (Tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average Cost	Nil	Nil
<b>3. Furnace Oil/Gas :</b>		
a) Propane gas/Liquified Petroleum Gas		
Qty. (M.T.)	536.88	357.39
Total Cost (Rs.)	89,16,657.59	46,19,858.82
Average Rate (Rs.)/Kg.	16.61	12.93



	1999-2000 Current Period	1998-1999 Previous Year
b) Light Diesel Oil		
Qty. (Ltr.)	20,000.00	Nil
Total Cost (Rs.)	2,17,884.00	Nil
Average Rate (Rs.) / Ltr.	10.89	Nil
<b>4. Others/Internal Generation :</b>		
Distillate residue	Nil	Nil
Quantity in M. T.	Nil	Nil
Total Cost (not ascertained)	Nil	Nil
Rate per unit	Nil	Nil
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
It is not feasible to maintain product-wise energy consumption data, since a large range of products having different energy requirements, is being manufactured.		
<b>B. TECHNOLOGY ABSORPTION</b>		
e) Efforts made in technology absorption as per Form B :		

**FORM B**

(Disclosure of particulars with respect to Technology Absorption)

**RESEARCH AND DEVELOPMENT (R & D)**

- Specific area in which R & D is carried out by the Company :  
The Company is continuously doing survey and recovery study of industrial effluents.
- Benefits derived as a result of the above R & D :  
The Company is able to classify right type of crude.
- Future Plan of Action :  
The Company will continue the above activities to achieve perfection.
- Expenditure on R & D :  
The Company has modern laboratory equipments, hence expense are very negligible.

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :**

- (i) The Company's innovation in its design department has enabled it to bring about a blend of Swedish technology with Indian designs for its lead-free crystal glass.
- (ii) Benefit derived as a result of the above efforts :  
The above innovations has enabled the Company to achieve higher level of sales.
- (iii) Technology Imported :
- Technology imported from Reci Industri AB of Sweden and Lindhsammar Glasbruk AB of Sweden.
  - Year of import during 1996-97 and 1997-98 respectively.
  - Has Technology been fully absorbed : Yes.
  - If not fully absorbed, reasons and future course of action : N.A.

**C. FOREIGN EXCHANGE EARNINGS & OUTGO :**

Disclosure relating to export, initiatives taken to increase export, development of new export markets for products and services and export plans :

The Company is continuously exploring avenues to increase exports.

**TOTAL FOREIGN EXCHANGE USED AND EARNED :**

		(Rs. in Lacs)	
		1999-2000	1998-1999
i.	Total foreign exchange used	102.26	64.79
ii.	Total foreign exchange earned	286.25	579.67

**By Order of the Board of Directors**

Place : Mumbai  
Date : 30th December, 2000

**R. G. PARIKH**  
VICE CHAIRMAN

**C. H. GOSALIA**  
EXEC. DIRECTOR